

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type: <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name: 35 th District Courthouse Authority	County Wayne
Audit Date December 31, 2005	Opinion Date April 18, 2006	Date Accountant Report Submitted To State: June 30, 2006	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- | | |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132]) |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input checked="" type="checkbox"/> yes <input type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reports on individual federal assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name): PLANTE & MORAN, PLLC			
Street Address 1000 Oakbrook Drive, Suite 400	City Ann Arbor	State MI	ZIP 48104-6815
Accountant Signature 			

35th District Courthouse Authority

**Financial Report
with Supplemental Information
December 31, 2005**

35th District Courthouse Authority

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Independent Auditor's Report

To the Board of Directors
35th District Courthouse Authority

We have audited the accompanying financial statements of 35th District Courthouse Authority, including the 35th District Courthouse Authority's individual governmental funds and the statement of net assets and statement of activities as listed in the table of contents. These financial statements are the responsibility of 35th District Courthouse Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and changes in financial position of 35th District Courthouse Authority, including its individual funds and the 35th District Courthouse Authority as a whole for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison schedule as identified in the table of contents is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

The accompanying financial statements do not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be a part of, the basic financial statements.

Plante & Moran, PLLC

April 18, 2006



A worldwide association of independent accounting firms

35th District Courthouse Authority

Governmental Fund Balance Sheet/Statement of Net Assets December 31, 2005

	Individual Funds - Modified Accrual Basis				GASB No. 34 Adjustments (Note 2)	Statement of Net Assets - Full Accrual Basis
	General Fund	Capital Projects Fund	Debt Service Fund	Total		
Assets						
Cash and cash equivalents (Note 3)	\$ -	\$ 3,224	\$ -	\$ 3,224	\$ -	\$ 3,224
Due from State of Michigan 35th Judicial District Court	156,254	-	-	156,254	-	156,254
Capital assets - Net of depreciation (Note 5)	-	-	-	-	6,477,172	6,477,172
Total assets	\$ 156,254	\$ 3,224	\$ -	\$ 159,478	6,477,172	6,636,650
Liabilities						
Due to the State of Michigan 35th Judicial District Court	\$ -	\$ 2,535	\$ -	\$ 2,535	-	2,535
Accrued interest payable	-	-	-	-	16,084	16,084
Long-term debt (Note 6):						
Due within one year	-	-	-	-	341,502	341,502
Due in more than one year	-	-	-	-	3,352,436	3,352,436
Total liabilities	-	2,535	-	2,535	3,710,022	3,712,557
Fund Balance - Unrestricted	156,254	689	-	156,943		
Total liabilities and fund balance	\$ 156,254	\$ 3,224	\$ -	\$ 159,478		
Net Assets						
Invested in capital assets - Net of related debt					2,906,516	2,906,516
Unrestricted					(139,366)	17,577
Total net assets					\$ 2,767,150	\$ 2,924,093

35th District Courthouse Authority

Statement of Governmental Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities Year Ended December 31, 2005

Individual Funds - Modified Accrual Basis

	General Fund	Capital Projects Fund	Debt Service Fund	Total	GASB No. 34 Adjustments (Note 2)	Statement of Activities - Full Accrual Basis
Revenue						
Base rental revenue (Note 8)	\$ 383,419	\$ -	\$ 320,200	\$ 703,619	\$ -	\$ 703,619
Additional rental revenue (Note 8)	57,053	-	-	57,053	-	57,053
Interest income and other	-	76	-	76	5,258	5,334
Total revenue	440,472	76	320,200	760,748	5,258	766,006
Expenditures						
Utilities	116,438	-	-	116,438	-	116,438
Building maintenance	94,324	-	-	94,324	-	94,324
Insurance	42,467	-	-	42,467	-	42,467
Capital outlay	52,053	-	-	52,053	(41,959)	10,094
Depreciation	-	-	-	-	226,317	226,317
Debt service	130,190	-	320,200	450,390	(265,135)	185,255
Total expenditures	435,472	-	320,200	755,672	(80,777)	674,895
Change in Fund Balance/Net Assets	5,000	76	-	5,076	86,035	91,111
Fund Balance/Net Assets - Beginning of year	151,254	613	-	151,867	2,681,115	2,832,982
Fund Balance/Net Assets - End of year	\$ 156,254	\$ 689	\$ -	\$ 156,943	\$ 2,767,150	\$ 2,924,093

35th District Courthouse Authority

Notes to Financial Statements December 31, 2005

Note I - Summary of Significant Accounting Policies

35th District Courthouse Authority ("DCA") was established in 1989 upon approval of an interlocal agreement by and among the DCA member District Control Units pursuant to the provisions of the Urban Cooperations Act, Act No. 7 of the Michigan Public Acts of 1967, as amended. The member District Control Units include the cities of Northville and Plymouth and the charter townships of Canton, Plymouth, and Northville. One purpose of the DCA is to establish a joint entity to lease, acquire, own, operate, and dispose of the Courthouse Building occupied by the State of Michigan 35th Judicial District Court (the "Court") for the mutual use and benefit of the District Control Units, who are also members of the Court. The DCA is comprised of a five-member board of directors consisting of one representative from each member city or township.

The accounting policies of the DCA conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies:

Reporting Entity

The 35th Judicial District Building Authority (the "Building Authority") was established on December 7, 1998 and is governed by a five-member board consisting of one representative from each member city or township. Although legally separate from 35th District Courthouse Authority, the Building Authority is included as a Capital Projects Fund because its primary purpose is to finance and construct the Courthouse Building. Building Authority operations consist of the issuance and repayment of debt and the construction of facilities, all of which are recorded in the appropriate DCA funds. The financial statements of the Building Authority are blended into the financial statements of the DCA as follows:

- a. The assets of the Building Authority held for payment and administration of outstanding bond issues and other related debt are reported in a Debt Service Fund.
- b. The assets and liabilities of the Building Authority related to construction projects are reported in the Capital Projects Fund.

35th District Courthouse Authority

Notes to Financial Statements December 31, 2005

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The DCA's basic financial statements include both the DCA's full accrual financial statements and modified accrual financial statements.

Full Accrual Financial Statements

The full accrual financial statements (i.e., the statement of net assets and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting, which is described below:

Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in the full accrual financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The DCA has elected not to follow public sector standards issued after November 30, 1989 for its full accrual activities.

Modified Accrual Financial Statements

The DCA's modified accrual financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which is described below.

Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay finance expenditures of the fiscal period. For this purpose, the DCA considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance expenditures of the fiscal period. All other revenue items are considered to be available only when cash is received by the DCA.

35th District Courthouse Authority

Notes to Financial Statements December 31, 2005

Note 1 - Summary of Significant Accounting Policies (Continued)

The accounts of the DCA are organized on the basis of funds, each of which is considered a separate accounting entity.

Governmental Funds

General Fund - The General Fund contains the records of the ordinary activities of the DCA. These activities are supported by rental and other revenue received from the State of Michigan 35th District Court.

Capital Projects Fund - The Capital Projects Fund is used to account for the development of the Courthouse Building.

Debt Service Fund - The Debt Service Fund is used to account for payments of principal, interest, and expenses in conjunction with the bond issued for construction of the Courthouse Building.

Financial Statement Amounts

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand and demand deposits, with a maturity of three months or less when acquired.

Capital Assets - All assets with an estimated useful life in excess of two years are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Furniture and equipment	7 years
Computer equipment	3-5 years
Vehicles	5 years
Building improvements	25 years
Buildings	50 years

Long-term Obligations - In the government-wide financial statements, long-term debt and capital leases are reported as liabilities in the governmental activities statement of net assets.

35th District Courthouse Authority

Notes to Financial Statements December 31, 2005

Note 1 - Summary of Significant Accounting Policies (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Note 2 - Reconciliation of the Court as a Whole and the Individual Fund Financial Statements

The governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance of the Court's General Fund differ from the statement of net assets and the statement of activities. This difference results primarily from the long-term economic focus of the statement of net assets and the statement of activities versus the current focus of the General Fund balance sheet and statement of revenue, expenditures, and change in fund balance.

The statement of net assets includes the capital assets, capital leases payable, accrued interest expense, and bonded debt associated with the construction of the Courthouse. The statement of activities includes the reduction of capital outlay for assets capitalized, depreciation expense related to those assets, reduction of debt service expense for principal payments made on the debt, and recognition of accrued interest expense.

Note 3 - Deposits

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The DCA is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

35th District Courthouse Authority

Notes to Financial Statements December 31, 2005

Note 3 - Deposits (Continued)

The DCA has designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above. The DCA's deposits and investment policies are in accordance with statutory authority.

The DCA's cash and investments are subject to credit risk, which is examined in more detail below:

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Court has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Sweep accounts	\$ 3,000	Unrated	N/A

Note 4 - Budget Information

The annual budget is prepared by the Court administrator and adopted by the DCA and Building Authority boards; subsequent amendments are approved by the DCA and Building Authority boards. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at December 31, 2005 has not been calculated. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America, except that proceeds from the issuance of debt have been netted against the capital outlay expenditures, rather than as an other financing source.

The budget statement (budgetary comparison schedule - General Fund) is presented on the same basis of accounting used in preparing the adopted budget.

The budget has been adopted on a fund basis. A comparison of actual results of operations to the General Fund budget as adopted by the DCA and Building Authority is included in the required supplemental information at the line-item level. This comparison includes expenditure budget overruns.

35th District Courthouse Authority

Notes to Financial Statements December 31, 2005

Note 5 - Capital Assets

A summary of changes in general fixed assets is as follows:

	Balance		Disposals and	Balance
Governmental Activities	January 1, 2005	Additions	Adjustments	December 31, 2005
Capital assets being depreciated:				
Furniture and equipment	\$ 499,878	\$ 7,506	\$ 3,259	\$ 504,125
Computer equipment	307,646	23,122	160	330,608
Vehicles	42,448	-	-	42,448
Building improvements	52,255	-	-	52,255
Buildings	7,704,968	-	-	7,704,968
Subtotal	8,607,195	30,628	3,419	8,634,404
Accumulated depreciation	(1,933,772)	(226,317)	(2,857)	(2,157,232)
Net capital assets	<u>\$ 6,673,423</u>	<u>\$ (195,689)</u>	<u>\$ 562</u>	<u>\$ 6,477,172</u>

Note 6 - Long-term Debt

During the year ended December 31, 1999, the 35th Judicial District Building Authority issued general obligation bonds in the amount of \$4,250,000 to assist in funding the construction of the new courthouse. Repayment of this bond is funded by the 35th Judicial District Court, which leases this building.

The DCA has also entered into three capital leases. One represents the capital lease on the former courthouse destroyed by fire during 1997. The other two represent computer equipment leases. Payment of these leases is also funded by the 35th Judicial District Court.

The following is a schedule of long-term debt outstanding as of December 31, 2005:

	Interest Rate Ranges	Principal Maturity	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
Capital lease payable - To the City of Plymouth for the former courthouse	10.92%	2006	\$ 236,962	\$ -	\$ 113,680	\$ 123,282	\$ 123,282
Capital lease payable - Server	0.62%	2007	22,335	-	10,271	12,064	10,335
Capital lease payable - Software	13.71%	2007	15,472	-	6,880	8,592	7,885
Bonds payable - 1999 General Obligation Bonds, original issue of \$4,250,000	4.10%-5.00%	2018	3,700,000	-	150,000	3,550,000	200,000
Total governmental activities			<u>\$ 3,974,769</u>	<u>\$ -</u>	<u>\$ 280,831</u>	<u>\$ 3,693,938</u>	<u>\$ 341,502</u>

35th District Courthouse Authority

Notes to Financial Statements December 31, 2005

Note 6 - Long-term Debt (Continued)

The annual requirements to service all debt outstanding as of December 31, 2005, including both principal and interest, are as follows:

	Governmental-type Activities		
	Principal	Interest	Total
2006	\$ 341,502	\$ 169,456	\$ 510,958
2007	202,436	153,684	356,120
2008	200,000	145,175	345,175
2009	200,000	136,475	336,475
2010	200,000	127,575	327,575
2011-2015	1,500,000	440,174	1,940,174
2016-2020	1,050,000	83,562	1,133,562
Total	<u>\$ 3,693,938</u>	<u>\$ 1,256,101</u>	<u>\$ 4,950,039</u>

Note 7 - Risk Management

The DCA is exposed to various risks of loss pertaining to property loss and torts. The DCA has purchased commercial insurance for these claims. Settled claims related to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 8 - Rental Revenue

The DCA leased the former courthouse building and furnishings, destroyed by fire during 1997, to the State of Michigan 35th Judicial District Court under an operating lease. Rental revenue amounted to \$130,190 for the year ended December 31, 2005.

The Building Authority leased the new courthouse building to the State of Michigan 35th Judicial District Court under an operating lease. The total rental revenue, including utilities, maintenance, and insurance, amounted to \$573,429 for the year ended December 31, 2005.

In addition, during the year ended December 31, 2005, the DCA received \$57,053 from the Court representing funding for various current and future capital outlay expenditures. This amount was recorded by the DCA as additional rental revenue.

Required Supplemental Information

35th District Courthouse Authority

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2005

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variances with Amended Budget
Revenue				
Base rental revenue	\$ 352,119	\$ 385,019	\$ 383,419	\$ (1,600)
Additional rental revenue	60,000	62,280	57,053	(5,227)
Total revenue	412,119	447,299	440,472	(6,827)
Expenditures				
Utilities	96,000	115,500	116,438	(938)
Building maintenance	88,500	94,500	94,324	176
Insurance	37,600	45,000	42,467	2,533
Capital outlay	55,000	57,280	52,053	5,227
Debt service	130,019	130,019	130,190	(171)
Total expenditures	407,119	442,299	435,472	6,827
Excess of Revenue Over Expenditures	5,000	5,000	5,000	-
Fund Balance - Beginning of year	151,254	151,254	151,254	-
Fund Balance - End of year	<u>\$ 156,254</u>	<u>\$ 156,254</u>	<u>\$ 156,254</u>	<u>\$ -</u>

The Authority's budget was adopted on a fund basis. The budget comparison shown above for the General Fund is more detailed than the General Appropriations Act. Information on this schedule is presented for the purpose of additional analysis.

April 18, 2006

Honorable John E. MacDonald
Honorable Ronald W. Lowe
Honorable Michael J. Gerou
35th Judicial District Court
660 Plymouth Road
Plymouth, MI 48170

Dear Judges:

We have recently completed our audit of the financial statements of the 35th Judicial District Court for the year ended December 31, 2005. In connection with our audit, we offer the following comments and recommendations to assist you in your financial management of the Court.

REPORTABLE CONDITION

In planning and performing our audit of the financial statements of 35th Judicial District Court and the 35th District Courthouse Authority for the year ended December 31, 2005, we considered the internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. However, we noted certain matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the municipality's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The matters noted are only those that came to our attention and had our procedures in internal control related matters been more extensive, other matters may have been noted.

- As discussed in the previous year, a number of employees have access to signature stamps with the Judge's signatures in their possession. With the access to the signature stamps, it is possible to write a check and use the signature stamps instead of obtaining proper signatures from the individuals. We recommend the Court implement a policy on the use of its signature stamps. We understand that subsequent to December 31, 2005, the signature stamps will be locked up within the clerk's desk, who utilize the stamps on a regular basis.

- Currently, the controller submits the payroll, issues the checks prepared by the payroll processor, and records the activity in the general ledger. During the current fiscal year, there was no oversight by another individual regarding payroll. We recommend that the Court Administrator, or another assigned individual, review the payroll registers to improve controls in this area.

BANK RECONCILIATIONS

Currently, the controller prepares the monthly bank reconciliations, with no oversight or review by the Court Administrator. Although there are other controls in place, including the review of a listing of all checks before they are written and dual signature required on all checks, we recommend the Court Administrator review all bank reconciliations and acknowledge her review by initialing and dating them once reviewed.

In addition to the above comments, we noted that there are a number of old outstanding checks on the bank reconciliations. We recommend that the Court follow up on these checks in an effort to "clean up" the bank reconciliations.

OTHER ACCOUNTING ISSUES

It was noted during our audited that the Court does not currently have a credit card nor an ACH policy approved by the board. We recommend that the Court bring forth a policy for approval by the board.

The following items are miscellaneous accounting issues which have been discussed in previous years:

- During the construction of the Courthouse, a capital projects fund was created to account for the development of the building. Now that the construction is complete, we recommend that this fund be closed and cash remaining within the fund be transferred in a manner that the board deems appropriate.
- A number of checks written in January 2006 relating to December 2005 activity were actually dated in December 2005. These expenditures were recorded in the appropriate fiscal year. The Court should ensure all checks are dated the day they are signed and not post dated.
- There is an unreconciled difference between the detailed bond payable listing and the amount recorded on the general ledger. The Court should be reconciling to the bond payable listing on a monthly basis and adjusting the general ledger when necessary.

We would like to thank you and your staff, particularly Debra Kubitskey and Pam Avdoulos, for the courtesy and cooperation extended to us during the course of our audit. If you have any further questions regarding the above comments or would like assistance in their implementation, please feel free to contact us.

April 18, 2006

This report is intended solely for the information and use of the judges, board of directors, management, others within the organization and the State of Michigan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

PLANTE & MORAN, LLP

A handwritten signature in black ink, appearing to read "David H. Helisek".

David H. Helisek

A handwritten signature in black ink, appearing to read "Wendy N. Trumbull".

Wendy N. Trumbull